

**YELLOW MEDICINE COUNTY, MINNESOTA**  
**Business Subsidy Criteria**

**Public Hearing and Adoption the 12<sup>th</sup> day of November 2002.**

**1. PURPOSE**

- 1.01 The purpose of these criteria is to establish the County's position as relates to the use of business subsidies, as defined in Minnesota Statutes 116J.993, Subdivision 3, for private development. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies, including various loans and property tax abatements.
- 1.02 A business subsidy is defined as any loan to a business of more than \$75,000 and any grant of funds (including a forgiveness of a loan, land write down or exclusion from paying required fees or taxes) of more than \$25,000 which does not meet one of the exceptions in Minnesota Statutes, Sections 116J.993 through 116J.995.
- 1.03 The County shall have the option of amending or waiving sections of these criteria when determined necessary or appropriate. Amendments to these criteria are subject to public hearing requirements pursuant to Minnesota Statutes, Sections 116J.993 through 116J.995.

**2. STATUTORY LIMITATIONS**

- 2.01 In accordance with the Business Subsidy Criteria, Business Subsidy requests must comply with applicable State Statutes. The County's ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995.

**3. PUBLIC POLICY REQUIREMENT**

- 3.01 All business subsidies must meet a public purpose other than increasing the tax base.

**4. BUSINESS SUBSIDY APPROVAL CRITERIA**

- 4.01 All new projects approved by the County should meet the following mandatory minimum approval criteria. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential business or the County.
- 4.02 The project must be in accord with the Comprehensive Plan and Zoning requirements, or required changes to the plan and ordinances must be under active consideration by the County at the time of approval.

- 4.03 Business subsidies will not be provided to projects that have the financial feasibility to proceed without the benefit of the subsidy.
- 4.04 Prior to approval of a business subsidies agreement, and when deemed appropriate by the County, the business shall provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and other information or data as requested.
- 4.05 A recipient of a business subsidy must make a commitment to continue operations at the site where the subsidy is used for at least five years after date of occupancy.

## 5. EVALUATION CRITERIA

- 5.01 The County will utilize property tax abatement to support the community's long-term economic goals.
- 5.02 For business subsidy requests, at least 90% of the jobs created must pay a wage of at least \$9.00 per hour, not including benefits. Annual written report is required until termination date. Failure to meet the job and wage level goals requires partial or full repayment of the assistance with interest.
- 5.03 All property for which a business subsidy is requested must be current on all outstanding property tax payments.
- 5.04 All business subsidy requests involving property tax abatement must not exceed a term of 10 years, must include the participation of the township or city for the same term and percentage of taxes as the County's participation, and must include new job creation within the County.
- 5.05 The County will not issue G.O. Abatement Bonds. All annual abatements will require wage levels and minimum jobs required to remain in effect for each year of the abatement.
- 5.06 Any transfer of property after the initial abatement will require County approval in order to continue the abatement.
- 5.07 The County will require a ratio of job creation of 20 jobs per \$100,000 of assistance or \$5,000 per job.
- 5.08. The minimum number of new jobs to be considered for an abatement is 2 new jobs in the County.